



State of Utah
Department of
Natural Resources

MICHAEL R. STYLER
Executive Director

Division of
Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 19, 2005

Mr. Clark Prothero
W. W. Clyde/Obayashi
HC 65 Box 119
Bluebell, Utah 84007

Subject: Complete Notice of Intention to Commence Small Mining Operations and Approval of Reclamation Surety and Reclamation Contract, W. W. Clyde/Obayashi, LaVon Giles Pit, S/013/009, Duchesne County, Utah

Dear Mr. Prothero:

On July 8, 2005, the Director of the Division of Oil, Gas and Mining signed the reclamation contract for the LaVon Giles Pit, file number S/013/009. You now have final approval to begin mining operations as outlined in your notice of intention and in our conditional acceptance letter issued March 15, 2005.

We were notified by the Division of State History that no historic properties should be affected by your operation. If during your mining operation you discover cultural resources, you are asked to immediately cease operations and notify the Division of State History and the Division of Oil, Gas and Mining.

The Division requests that you mark the proposed/actual disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or other suitable, fixed markers) to assure that operations do not exceed the five acre limitation of this permit. Markers should be appropriately spaced so that the next marker in either direction is clearly visible.

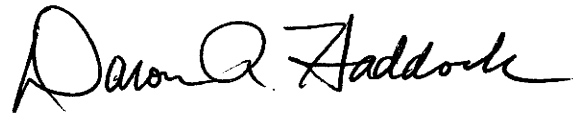
The acceptance of this notice and surety is for a small mining operation only, **not to exceed 5 acres**. You are not authorized to disturb more than 5 acres without first amending your notice, adjusting the bond amount and receiving written acceptance from this office. If you wish to expand to a large mine status, approval typically takes up to six to twelve months or longer. Please allow the appropriate lead time to complete the permitting.

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For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-summary). (The mining rules in their entirety can be obtained at <http://www.rules.utah.gov/>.)

If you have questions or concerns regarding this letter, please contact me at (801) 538-5258 or Paul Baker at 538-5261. Best wishes with your new mining venture.

Sincerely,


for

Susan M. White
Mine Program Coordinator
Minerals Regulatory Program

SMW:PBB:jb
Attachment: SMO summary
Enclosure: Copy of RC & surety forms
cc: Mike Hyde, Duchesne County w/o enclosures
O:\M013-Duchesne\S0130009-WWClyde-Giles\final\apvl-07192005.doc